



Entrepreneur Incubator

Reference Article

Prepare for Crisis Management

Can a small business really plan for a crisis? Absolutely, says crisis management expert Jeffrey Caponigro. "It's even more important for a small business or startup to be prepared for a crisis because their margin of error is smaller," says Caponigro, author of *The Crisis Counsellor*. "They're dealing with a much more fragile environment, where even a minor crisis could put them out of business".

1. Form a crisis team.

Even if it's only you and one other person, you need to define roles and know who to call if a crisis hits.

2. Identify your vulnerabilities.

Caponigro advises businesses to make two lists. "On one list, put the crises that are most likely to happen, on the other, list those that may not be likely to happen but would be extremely damaging if they did occur. Then compare the two lists to see if any vulnerabilities appear on both lists. If so, these are the crises you really need to be prepared for".

3. Prevent vulnerabilities from turning into crises.

For each vulnerability, list the action steps you intend to take to eliminate or lessen the risk of it becoming a crisis.

4. Develop your plan.

Take a look at your list of action steps and determine which can be done in advance so you can be better prepared if the crisis happens. The plan will be invaluable during stressful times, when strategic thinking can give way to rash decisions.

5. Ensure your insurance policies are up-to-date.

Make it a habit to check up on your insurance policies at least once a year to ensure that you are adequately covered. Store copies of policies off-site as a trusty back-up.

By Brian Ruberry

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